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10 April 1958

# CURRENT INTELLIGENCE WEEKLY SUMMARY



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**CURRENT INTELLIGENCE WEEKLY SUMMARY**

**10 April 1958**

**THE WEEK IN BRIEF**

**PART I**

**OF IMMEDIATE INTEREST**

**SOVIET NUCLEAR TEST SUSPENSION AND THE SUMMIT . . . . . Page 1**

The USSR is using the announcement that it will suspend nuclear tests as the keynote in its campaign for a summit conference. This is borne out by an unusually heavy barrage of propaganda on the test suspension, Khrushchev's Budapest speech on the subject, and his letters to President Eisenhower and Prime Minister Macmillan. Moscow would probably attempt to make disarmament the major topic at a summit meeting. [REDACTED]

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**MIDDLE EAST DEVELOPMENTS . . . . . Page 2**

Although tension in the Lake Hula area may relax temporarily following the recent UN survey, new friction and incidents along the Arab-Israeli borders appear inevitable. In Egypt, Nasir is reported to want an early settlement of the claims of the Suez Canal Company shareholders, but to be willing to let negotiations break off if agreement does not come soon. Three Soviet ministers have been visiting Cairo for economic talks, and Cairo is stressing the economic aspects of Nasir's forthcoming trip to Moscow. Lebanese security authorities are somewhat more hopeful than in the past of maintaining order during the forthcoming election campaign. [REDACTED]

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**INDONESIA . . . . . Page 4**

The Indonesian Government retains the military initiative in Sumatra, and dissident leaders there appear pessimistic but are making plans for the defense of the Padang-Bukittinggi area. Dissidents in Menado, North Celebes, have announced the appointment of Col. Kawilarang, former military attaché in the United States, as commander in chief of dissident forces and of two former Indonesian air force officers as leaders of a revolutionary air force. Antileftist measures recently undertaken by the Djakarta government are of a minor nature and unlikely to hamper seriously Communist strength and influence. [REDACTED]

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**CONFIDENTIAL**

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

10 April 1958

**PART I (continued)****THE REBELLION IN CUBA . . . . . Page 5**

The Cuban rebels' initial attempt to open an "all-out war" against President Batista and to call a general strike in Havana on 9 April ended in failure, although the strike attempt in Santiago de Cuba, capital of rebel-infested Oriente Province, was more successful. Although Castro may have lost prestige because of his failure in Havana, it is also possible he will regroup his forces and that his major effort is still to come. Batista has recently intensified his propaganda campaign against Castro with renewed allegations that the rebel movement is an instrument of international Communism. [REDACTED]

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**PART II****NOTES AND COMMENTS****KHRUSHCHEV'S VISIT TO HUNGARY . . . . . Page 1**

Nikita Khrushchev's tour of Hungary has made unmistakably clear to Hungarians that party leader Janos Kadar is Moscow's chosen man in Hungary. The joint communiqué issued at the conclusion of the visit emphasized Khrushchev's earlier assertion that there is no justification for any discussion of East European affairs at the summit. Kadar served the Kremlin's purposes by suggesting that both he and Khrushchev greatly desire improved relations between Hungary and the United States and that some "interesting initiative" will soon take place to this end. [REDACTED]

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**GUIDELINES FOR SOVIET SEVEN-YEAR ECONOMIC PLAN . . . . . Page 2**

Policies and programs to be embodied in the forthcoming Soviet seven-year economic plan (1959-1965) apparently have been decided. The chairman of the USSR State Planning Committee has indicated that priority would continue to be assigned to important heavy industrial activities; this development would proceed simultaneously, however, with accelerated programs for housing construction, clothing and footwear, and food output. The 1 July deadline for presentation of the draft long-term plan probably will be met without serious difficulties. [REDACTED]

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**AMERIKA MAGAZINE SOLD OPENLY IN MOSCOW . . . . . Page 3**

The USSR for the first time has permitted the USIA magazine Amerika to be displayed openly and sold in greater quantity than usual in Moscow. The two issues put on sale there since the signing of the US-USSR cultural exchange agreement on 27 January were reported sold out within a few

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

## PART II (continued)

hours. No improvement in the magazine's distribution has been noted outside Moscow and the display there was apparently a "show" designed to give the American Embassy the impression that the USSR is complying with the terms of the agreement. [REDACTED]

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## KAZAKH PARTY LEADERSHIP RESHUFFLED . . . . . Page 4

In an attempt to avoid a repetition of last year's poor agricultural showing in the central Asian republic of Kazakhstan, party presidium member Nikolay Belyayev has carried out a sweeping shake-up of the republic party apparatus during his three months as Kazakh party boss. He has held several republic and oblast meetings devoted to the poor state of agriculture and has dismissed, demoted, or transferred about one third of all oblast party secretaries in the republic. [REDACTED]

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## DEVELOPMENTS IN FRANCE . . . . . Page 5

Local elections in France on 20 and 27 April, the first nationwide indicator of grass-roots attitudes since the parliamentary elections in January 1956, will probably reflect the growing polarization of public opinion over the Algerian question and thus make it more difficult for Premier Gaillard to hold his coalition together. Another threat to the coalition is the possibility of an all-out strike by mine workers on 21 April. Aside from endangering Gaillard's anti-inflation program, such a development might cause the Socialists to press for wage concessions to satisfy their rank and file and thereby arouse strong attacks from the rightists against any one-sided adjustment of the austerity program. [REDACTED]

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## NATO DEFENSE MINISTERS' CONFERENCE . . . . . Page 6

The NATO defense ministers' conference, which meets in Paris from 15 to 18 April, will concern itself mainly with hearing the top NATO military authorities' exposition of a new five-year defense plan (1958-1963). The defense ministers will also discuss closer defense coordination--including the France-Italy-Germany weapons development agreement and its possible extension--and will hear progress reports on the introduction and deployment of IRBM's, nuclear stockpile arrangements, and the integration of air defense. The conference should reveal any shifts in members' positions in advance of the annual foreign ministers' meeting in early May. [REDACTED]

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iii

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

10 April 1958

**PART II (continued)****THE NETHERLANDS COMMUNIST CRISIS IN A EUROPEAN CONTEXT . . . Page 7**

The crisis in the Netherlands Communist party, which resulted in the expulsion of four of the party's top members, illustrates the major difficulties afflicting the Communist parties of the smaller and more prosperous countries of Western and Northern Europe. In contrast to the Italian and French parties, none of these has recovered from the impact of the de-Stalinization campaign and the Soviet intervention in Hungary, and all face formidable obstacles in their efforts to exercise significant influence on the Socialist-dominated trade union movement. [REDACTED]

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**NEW TENSIONS LIKELY IN BOLIVIA . . . . . Page 8**

Bolivian political tensions, which threaten the US-backed economic stabilization program, may again become critical this month as two factions in the governing Nationalist Revolutionary Movement seek to control nominations for the approaching congressional elections. New tensions may also arise from the extraordinary session of Congress which is now reported called for 11 April to deal with accusations of fraud against a close relative of President Siles. [REDACTED]

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**PAN-AFRICAN CONFERENCE . . . . . Page 9**

Eight independent African states--Egypt, Ethiopia, Ghana, Liberia, Libya, Morocco, the Sudan, and Tunisia--which are to meet in Accra for a week starting 15 April can be expected to display a basically harmonious attitude toward issues of immediate concern to Africans. This solidarity will be particularly evident in the criticism the nationalist-minded conferees are likely to level against European racial and colonial policies in Africa, particularly those of France in Algeria. Underlying cultural and political differences among the participating states will, however, tend to inhibit agreement on joint action except in the more noncontroversial areas of activity. [REDACTED]

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**LIBYAN GOVERNMENTAL ORGANIZATION . . . . . Page 11**

King Idriss is considering eliminating Libya's present provincial organization and concentrating all authority in a greatly strengthened central government. The chief reason for this plan appears to be the King's concern over growing pro-Egyptian sentiment, particularly in Tripolitania, the most heavily populated of Libya's three provinces. [REDACTED]

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iv

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

10 April 1958

**PART II (continued)****JAPANESE GOVERNMENT TO SUPPORT TRADE AGREEMENT WITH COMMUNIST CHINA . . . . . Page 11**

The Japanese Government, apparently successful in placating Nationalist China, has pledged to "respect the spirit" of the private trade agreement with Communist China, thereby at least temporarily avoiding a rupture in diplomatic relations with Taipei. There may have been a confidential understanding that Japan will make efforts after elections expected in May to prevent the flying of the Communist flag over a projected trade mission in Japan. The ambiguity of statements issued by Tokyo and Taipei may result in new charges by Peiping that Japan is "insincere."

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**EFFORTS TO UNSEAT EAST PAKISTAN GOVERNMENT FAIL . . . . . Page 12**

The stability of Prime Minister Noon's coalition government in Pakistan may have been strengthened by the recent failure of opposition efforts to unseat provincial governments favorable to Noon in both West and East Pakistan. Events in East Pakistan, however, have provided an excuse for President Mirza to impose direct rule from Karachi if he wishes, despite three confidence votes won by the East Pakistani government. A declaration of President's Rule would probably produce a strong popular opposition in East Pakistan.

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**INCREASING INFLUENCE OF MODERATES IN CEYLON . . . . . Page 13**

Growing opposition to Ceylon's far-leftist minister of food and agriculture, Philip Gunawardena, the principal threat to the coalition government's stability, is becoming increasingly successful in curbing his actions and in moderating the policies of Prime Minister Bandaranaike's Sri Lanka Freedom party.

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**PART III****PATTERNS AND PERSPECTIVES****WEST GERMAN FOREIGN POLICY . . . . . Page 1**

The West German Government is holding firmly to its policy on acquiring nuclear weapons, although differences have become apparent within the governing coalition on matters of foreign policy. Both government

**SECRET**

V

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

10 April 1958

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**PART III (continued)**

and opposition spokesmen have expressed some readiness to make important modifications in their parties' positions on German unification and relations with the Soviet bloc. Leading government officials have been generally cautious and skeptical about the Moscow test suspension announcement, despite the favorable public and press reaction.

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**YUGOSLAVIA ON EVE OF SEVENTH PARTY CONGRESS . . . . . Page 3**

President Tito will face the seventh congress of the League of Yugoslav Communists on 22 April in Ljubljana with many domestic problems, most pressing of which are inflationary pressures, the disaffection of youths, and the need to tighten party control. The congress will underscore successes achieved through worker self-management and local self-government, but dissatisfaction among the people, although not threatening the regime's control, has yet to be overcome.

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**NATIONAL MINORITY POLICY IN COMMUNIST CHINA . . . . . Page 6**

Recent statements by Chinese Communist officials closely connected with the management of ethnic minorities have underscored the regime's concern with the growth of "local nationalism." Although there has been no evidence of organized resistance to Chinese rule except in Tibet, there has apparently been talk of secession among minority groups. The official statements suggest that the government intends to push forward more rapidly--and perhaps more harshly--with the integration of its 35,000,000 non-Chinese.

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**PROSPECTS OF THE SOCIALIST PARTY IN JAPAN . . . . . Page 10**

The opposition Socialist party faces the Japanese general elections, expected in May, with a record of having increased its percentage of popular vote and representation in the Diet in every election since 1950. It now holds approximately one third of the Diet seats. The prospects of the party are enhanced by its effective organization and by its exploitation of popular issues such as rearmament, nuclear weapons tests, and relations with Communist bloc countries. While the Socialists are not likely to win a majority in the near future, a gain of more than ten or twelve seats could undermine Prime Minister Kishi's political position and lead to his replacement as head of the ruling Liberal-Democratic party and the government.

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vi





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# CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

## PART I OF IMMEDIATE INTEREST

### SOVIET NUCLEAR TEST SUSPENSION AND THE SUMMIT

The USSR is using the announcement that it will suspend nuclear tests as the keynote in its campaign for a summit conference. This is borne out by an unusually heavy barrage of propaganda on the test suspension, Khrushchev's Budapest speech on the subject, and his letters to President Eisenhower and Prime Minister Macmillan. Moscow would probably attempt to make disarmament the major topic at a summit meeting.

The Soviet letters to the United States, Britain, and certain other countries were a routine step in the diplomatic campaign and provided no new information on the test suspension beyond citing the date on which it took effect--31 March. In his speech in Budapest on 4 April, Khrushchev reiterated that the USSR would accept international control of test suspensions if other nations insist on it. He evidently does not believe the Soviet move has put the USSR in such a strong position that it can ignore the inspection issue. Khrushchev's emphasis on the ease of detecting tests suggests, however, that the USSR will treat controls as a minor issue that can be worked out after there is an agreement to stop tests, and that it will hold out for a minimum of controls.

The counselor of the Soviet Embassy [redacted] the main emphasis at the summit conference should be on disarmament and on ending preparations for atomic war. He clearly thought that the Soviet test suspension would

give the USSR a great advantage in such negotiations.

The USSR may also be eager to hold a summit meeting quickly since, in the absence of a general agreement on test suspension, it probably does not want to postpone a resumption of tests indefinitely. UN Secretary General Hammarskjold has said he was impressed during his recent talks with Soviet leaders by their determination to hold a summit conference. The Soviet counselor [redacted] Soviet acceptance of the Western proposal for preliminary diplomatic negotiations in Moscow. The USSR is likely to follow whatever tactics seem most likely to expedite formal conferences, initially of foreign ministers and later of heads of government, and it may make some procedural concessions to prevent a prolonged delay.

Aside from insisting that specific references to the Eastern European states and German unification be excluded, as Khrushchev re-emphasized in Budapest, the USSR is likely to be flexible about the agenda. [redacted]

[redacted] inclusion of the German peace treaty might permit some "noncommittal" statement by the four powers on a future consideration of unification. Hammarskjold had the impression that if pressed, the USSR might be willing to drop the Middle East from the agenda.

One topic Khrushchev would probably emphasize at the summit would be the Bundestag decision to equip West German

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**SECRET**

## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

forces with modern weapons. The forthcoming meeting of East German, Polish, and Czechoslovak foreign ministers will probably threaten to take counter-measures if the Bundestag de-

cision is implemented. Moscow would publicize a summit meeting as providing the last chance to prevent a nuclear arms race on the continent of Europe.

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## MIDDLE EAST DEVELOPMENTS

Israeli-UAR Border

Tension on the Israeli-UAR border may ease temporarily as a result of efforts by UN truce officials to solve the dispute over Israeli drainage operations in the Lake Hula area. A UN survey found that the UAR complaint of Israeli violation of the Hula demilitarized zone was justified but determined at the same time that the Israelis could, with minor adjustments, proceed with their project. Both sides have "accepted" the finding, but the Israelis still refuse to admit that the survey correctly determined the location of the demilitarized zone demarcation line. Israeli digging began again on 8 April, under UN observation.

While this particular problem seems to have been settled for the moment, new frictions and incidents along the border appear inevitable. A factor which may make for more serious consequences in the future is the increased boldness of the UAR's air operations. Israel has long carried out air recon-

naissance over the Arab states, but the Arabs have not previously replied in kind.

Suez Canal

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The visit to Cairo by IBRD President Black this week produced a spate of speculation that the bank was about to make a new loan to Nasir. The purpose of Black's mission, however, appears to have been to prod Nasir into settling the compensation claims of the old Suez Canal Company. Desultory talks have been going on in Rome between representatives of the shareholders and Egyptian officials

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Nasir seems willing to settle quickly, possibly even before he leaves for Moscow at the end of April. However,

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there is still a wide gap between the amount Nasir is willing to pay and the amount the shareholders demand; if this gap

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

cannot be closed soon, Nasir may drop the negotiations, although he would leave a formal move to break them off to the shareholders.

Black and his technical adviser, General Wheeler, also reported they had found the Egyptians doing a good job of running the canal and making some progress on canal improvement plans. The Egyptians wish to meet an immediate problem of dredging Port Said channel and harbor by renting an American army dredge. Black's announcement that the IBRD will continue to assist Egypt in developing these plans was apparently based both on his assessment of Nasir's attitude and on the capacity the Egyptians have demonstrated in operating the waterway.

Nasir Visit to USSR

Speculation continues meanwhile on the subjects Nasir will discuss in the USSR, where, according to the latest information, he expects to spend 16 to 18 days. He is to leave Cairo on 29 April. The officially controlled Cairo press is giving most prominence to possible economic talks. In this connection, an Egyptian delegation has left Cairo for Moscow to "discuss petroleum and mineral projects" under the Soviet aid program, and an East German industrial credit of \$20,000,000 was announced on 8 April. Two Soviet agriculture ministers and a deputy minister of manpower are already in Cairo for talks, and the Egyptians have stated they expect another delegation from Moscow in May. The General Executive Committee for the Egyptian five-year plan has decided to establish a bureau in Moscow to supervise the execution of the Soviet-Egyptian agreement.

Lebanon

Last week's disorders in southern Lebanon have subsided, and security authorities seem somewhat more confident of being able to control unrest generated by opposition to President Chamoun and his second-term ambitions. Chamoun remains officially silent on his plans, although he is known to want to run again and to be confident that he controls the necessary parliamentary votes for election.

Jordan-Iraq

Jordanian and Iraqi leaders continue to move at a leisurely pace in organizing their Arab Union. The lengthy preparations afford Nasir's propagandists more opportunity to assert the existence of serious differences between King Husayn and King Fay-sal over their future roles. The earliest possible date for the new structure to be formally inaugurated now seems to be sometime in June. The Iraqis in particular are probably still considering ways by which Kuwait with its oil income might be brought into their federation; the recent visit of an Iraqi emissary to Saudi Arabia may have been to seek Saudi reaction to such an attempt.

The Jordanians may face a crop failure if April rains do not materialize, and are seeking American and Iraqi assistance against this eventuality. Foreign Minister Rifai has explained that he is somewhat reluctant to seek such aid from Iraq, since an Iraqi grant might increase opposition to the Arab Union on the part of those Iraqis who argue that Jordan is merely an economic and political liability. The Iraqis have already refused to guarantee an IBRD loan to Jordan.

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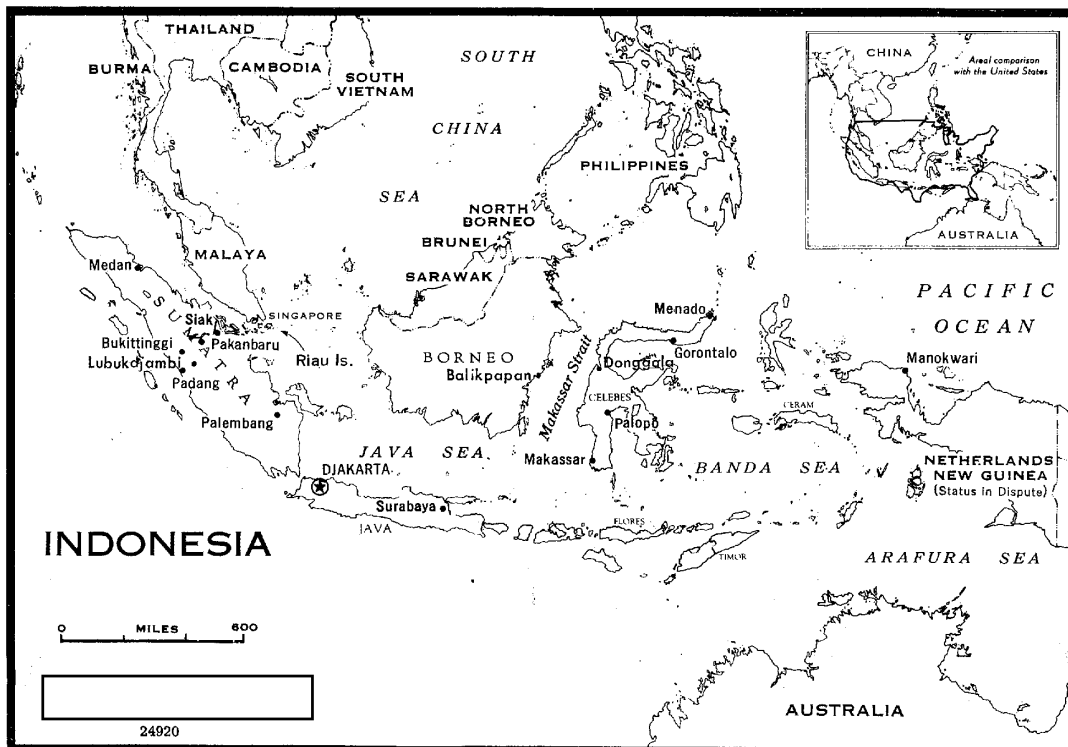
**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****10 April 1958****INDONESIA**

The Indonesian Government retains the military initiative in Sumatra. Government air activity, which had virtually ceased in order to permit aircraft maintenance, resumed about 3 April, and Djakarta forces are reported to have occupied new areas along the road leading from Padang to South Sumatra, thereby cutting the dissidents' only major supply line.

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The government's successes, coupled with its cautious policy

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

toward areas which have been sympathetic toward the dissidents but not actually rebellious, appear to be swinging those regions gradually away from Padang and toward Djakarta, e.g., the Tapanuli subprovince of North Sumatra, which has permitted the rebels free access. In South Sumatra, recent statements by the local army commander, Lt. Col. Barlian, have emphasized national unity rather than local autonomy, indicating a swing toward Djakarta.

Counterrevolutionary activity continues within Central Sumatra. [REDACTED]

[REDACTED] Djakarta claims that troops which have defected from the Padang movement are now engaged in guerrilla activity against Padang followers.

Government operations against North Celebes are pro-

ceeding. A broadcast from Menado, capital of North Celebes, has announced the appointment of Colonel Kawilarang, former military attaché in the United States, as commander in chief of dissident forces. It also announced the appointment of two former Indonesian air force officers as leaders of a revolutionary air force. Dissident representatives are known to have been trying to purchase aircraft.

Djakarta officials appear to be making a particular effort to curry favor with the United States and to allay fears of growing Communist influence in Indonesia. Recent antileftist measures by the government, however, appear to be little more than gestures and unlikely to hamper seriously the strength or operations of the Communist party. These measures include the temporary closure of the leftist daily, Sin Po, restrictions on May Day celebrations, and arrangements for the cessation of public anti-US and anti-SEATO demonstrations. [REDACTED]

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## THE REBELLION IN CUBA

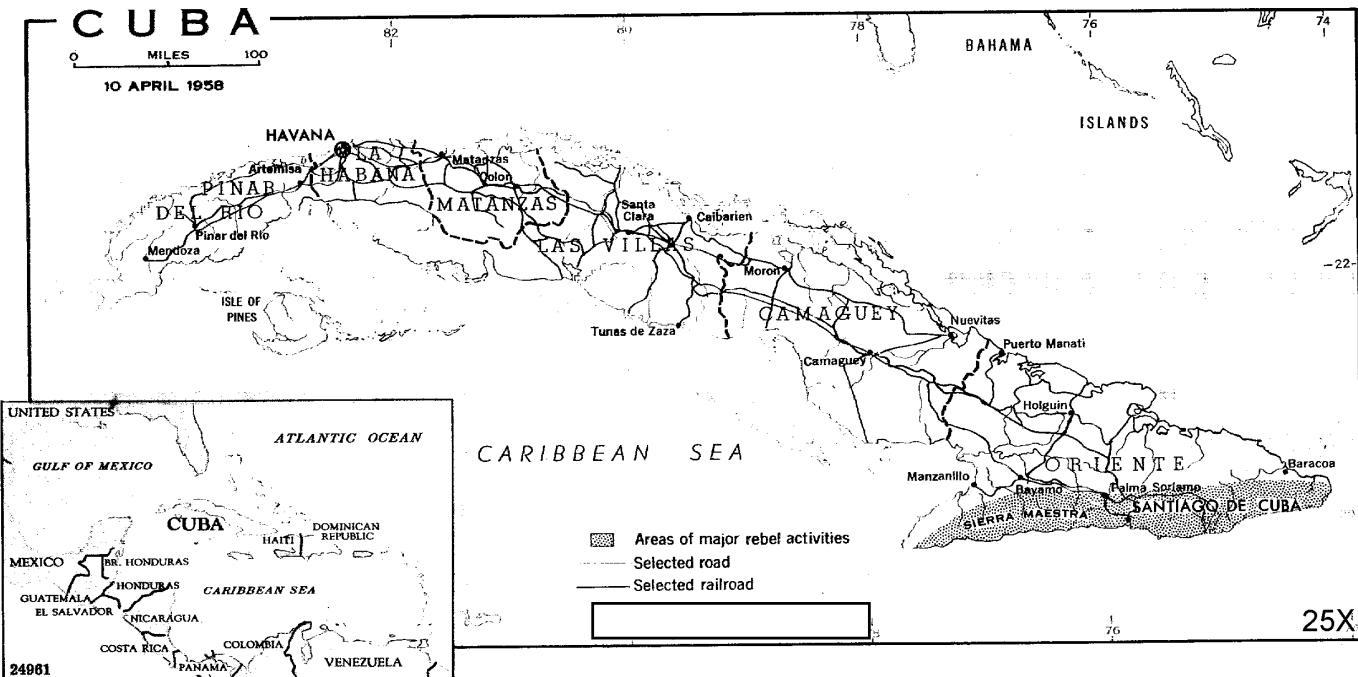
The Cuban rebels' initial attempt to open an "all-out war" against President Batista and to call a general strike in Havana on 9 April ended in failure. The strike attempt

the same day in Santiago de Cuba, capital of rebel-infested Oriente Province, was more successful. Shooting, sabotage, and partial strikes in Havana threw the city into confusion.

**SECRET**

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

10 April 1958



for more than an hour, but the threat of a snowballing anti-Batista operation dissipated when most workers returned to their jobs after the noon break and the armed forces succeeded in getting the situation under control.

The strike in Santiago, which has paralyzed banks and many other businesses and industries, was reported about 50-percent effective on 9 April. Tension in the city was high, but only sporadic violence occurred.

Castro's failure in Havana, the seat of Batista's power, is not unexpected. A similar strike in August 1957, although it paralyzed Santiago for several days, was unsuccessful, largely because Havana failed to support it. The recent strike demonstrated that the rebels cannot launch an effective operation against Batista without

first extending their influence in the capital city, where they have overestimated their support.

As a result of abortive Havana action, Castro may lose prestige since he had so widely publicized the "all-out" final effort against Batista. However, the rebels may regroup their forces and make another major effort in Havana.

Batista has sent reinforcements to Oriente in an apparent effort to isolate the rebels there. Although the army remains largely loyal to Batista, there are dissident elements on all levels, and demoralization is reported on the increase. Thus defections or an attempt by dissident army leaders to depose the President are possible.

Batista has intensified his propaganda campaign against Castro with renewed allegations

**SECRET**

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**CURRENT INTELLIGENCE WEEKLY SUMMARY**

**10 April 1958**

that the rebel movement is an instrument of international Communism. These charges and similar ones voiced by Dominican dictator Trujillo are apparently intended to justify Dominican arms shipments to Cuba as well as to induce a resumption of shipments from the United States.

Although individual members of the movement have been suspected of being Communist sympathizers, Castro has recently refused apparently unsolicited

offers of help from the outlawed Cuban Communist party, which at present is estimated to number 8,000 to 12,000 members. The Communists, however, have jumped on the rebel bandwagon to voice "solidarity" with the Cuban people in their "fight against the dictatorship." Other political opposition groups have remained aloof from the rebel cause, most of them preferring a peaceful solution to Cuba's problems.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

## PART II

NOTES AND COMMENTS

## KHRUSHCHEV'S VISIT TO HUNGARY

Nikita Khrushchev's tour of Hungary has made unmistakably clear to Hungarians that party leader Janos Kadar is Moscow's chosen man in Hungary. The joint communiqué issued at the conclusion of the visit emphasized Khrushchev's earlier assertion that there is no justification for any discussion of Eastern European affairs at the summit.

From the moment Khrushchev stepped off the TU-104 which brought him to Budapest and embraced Kadar, it was clear to all observers that collective leadership was as dead in Hungary as in the USSR. Khrushchev frequently commended Kadar, demanded unity within the Hungarian party, and ordered party members to show "toughness" and "vigilance." He went to great lengths to justify the armed Soviet suppression of the Hungarian national uprising--which he reportedly referred to as "the revolution, counterrevolution, whatever you call it"--declaring that the Kremlin had "spent painful days and nights" trying to reach a decision to use armed force, because "we saw that workers were among the counterrevolutionaries."

At Sztalinvaros, Khrushchev suggested--probably unintentionally--that the USSR might not intervene in the event of another uprising. These attempts to appear reasonable backfired and Khrushchev was forced to make a strong retraction. In a tirade to Tatabanya miners on 8 April, he struck out at the West, threatening that "the forces of the entire socialist camp" would be available to quell "another provocation against any socialist country" and--

using Stalin's own words--told the West "not to stick your pig's snout into our socialist garden."

Leaving no doubt that former party leader Rakosi will not regain power in Hungary, Khrushchev repeatedly criticized the old party leadership for permitting "errors and distortions" to arise which were used by "reaction," supported from the outside, to set off the revolution. He specifically condemned former Premier Imre Nagy as a traitor who by "inertia and treason" allowed the revolution to develop. He failed, however, to disclose what the Kremlin plans to do with Nagy.

Although Khrushchev criticized the Hungarian party for reluctance to act against "counterrevolutionaries," his visit was clearly intended to shore up the Kadar leadership by putting an end to widespread factionalism and uncertainty which has beset the party. It was also directed toward mobilizing proregime forces to cope with the serious economic and political problems facing Hungary, not the least of which is the necessity to prepare for initial payments due next year on the staggering debt to the USSR. Top-level talks reportedly held by the Hungarians and the Soviet visitors probably dealt with these problems.

Khrushchev's visit coincided with a stepped-up campaign in Hungary for a normalization of relations with the United States, undoubtedly for the dual purpose of improving Hungary's position in the UN and adding to the respectability of the regime. At a 4 April reception, Kadar told Western

~~SECRET~~  
CONFIDENTIAL

~~SECRET~~

## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

newsmen that, as a result of his talks with Khrushchev, "an interesting initiative" would soon be undertaken to accomplish this, and he indicated he was greatly interested in increasing trade with Western countries, including the United States.

More specifically, Foreign Minister Endre Sik told the Associated Press representative in Budapest that Hungary "strongly" desires normalization of relations, including an exchange of ministers. He also hinted that he wished to reopen negotiations he had conducted with former American Minister Ravndal following the Geneva summit conference of 1955. The American Legation in Budapest believes Sik may be interested in cultural and trade "initiatives" and suggests the regime may have in mind releasing two Hungarian employees of the American Legation--whose jail terms expire this month.

Khrushchev apparently believed his personal magnetism would be effective in improving Soviet-Hungarian relations. He told UN Secretary General Hammarskjold he felt confident his trip to Hungary would show he was not unpopular there. The cold indifference shown by the Hungarians must have disillusioned him and may have contributed to the threatening and belligerent tone of his final speeches.

At the big liberation day parade on 4 April, the crowds were inattentive and the claque unenthusiastic. When not barred by workers' guards, the audience began to melt away as soon as the speeches began. Workers at the key Csepel plant reportedly paid no attention to a relay of Khrushchev's address to a hand-picked audience, and left the factory in large numbers while he was still speaking.

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## GUIDELINES FOR SOVIET SEVEN-YEAR ECONOMIC PLAN

Policies and programs to be embodied in the forthcoming Soviet seven-year economic plan (1959-1965) apparently have been decided by Soviet leaders. Priority "forced development" of important heavy industrial activities is to proceed simultaneously with the accelerated programs for housing construction, clothing and footwear production, and food output. A long Pravda review of these programs by I. I. Kuzmin, chairman of the USSR State Planning Committee (Gosplan), on 5 April, closely parallels a January editorial in the authoritative Gosplan journal Planovoye Khozyaystvo, suggesting that economic policy has not been altered by recent events such

as Khrushchev's assumption of the premiership. The 1 July deadline for presentation of the draft long-term plan probably will be met without serious difficulties.

The Planovoye Khozyaystvo editorial used the term "forced development" in referring to ferrous and nonferrous metallurgy goals, noting especially the stress to be given development of the raw material base of these activities. Kuzmin, in addition, reiterated the programs for increased reliance on petroleum and natural gas in the Soviet fuel balance, for rapid expansion of the chemical and synthetics industries, for electrification and dieselization

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PART II

NOTES AND COMMENTS

Page 2 of 14

they contained copies of Amerika, and one asked the truck driver, "Is that the magazine?"

uzpechat admitted that the magazine was in great demand and sold rapidly. He said he has

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

been trying to pry more copies loose from Moscow ever since the first issue appeared, but without results.

Despite the very evident demand for Amerika in the USSR, Soyuzpechat officials tell Americans that it holds no interest

for Soviet readers, and thousands of copies of previous issues have been returned as "unsalable." To date, almost 113,500 copies of the first 15 issues, apparently never placed on sale in public view, have been returned to the embassy.

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## KAZAKH PARTY LEADERSHIP RESHUFFLED

In an attempt to avoid a repetition of last year's poor agricultural showing in the central Asian republic of Kazakhstan, party presidium member Nikolay Belyayev has carried out a sweeping shake-up of the republic party apparatus during his three months as Kazakh party boss. He has held several republic and oblast meetings devoted to the poor state of agriculture and has dismissed, demoted, or transferred about one third of all oblast party secretaries in the republic.

The seriousness with which Moscow regards the agricultural situation in this major new lands area became clear in early January. [redacted]

[redacted] party First Secretary Khrushchev may have attended a republic-wide conference of state farm directors in Kazakhstan on 10 January at which Belyayev severely condemned the poor state of agricultural affairs there. Although severe drought conditions were primarily responsible for last year's low crop yields, the regime laid considerable blame on poor party leadership.

During the next two weeks, party conferences devoted to agriculture were held almost daily in various oblasts, at which 14 party secretaries were dismissed and three demoted in seven

oblasts. The entire secretariat in Alma-Ata Oblast, seat of the Kazakh capital, was ousted on 2 February. Amid stinging criticism of the poor state of industry and agriculture, the local party chief was demoted to third-ranking secretary and was replaced by M. B. Besybayev, a career party official and former republic first deputy premier who has long been a specialist in agriculture and animal husbandry.

The first secretaries in almost all of Kazakhstan's 16 oblasts have come in for direct and severe criticism by Belyayev since his appointment. He has dismissed, demoted, or shifted 26 out of approximately 75 oblast secretaries. At least six first secretaries have been dismissed outright. Eleven lower ranking secretaries have also been fired, five have been demoted, and four transferred to other work. Exhortations to improve agricultural work continue to be a principal theme in the republic press.

Sent out to Kazakhstan from Moscow last December, Belyayev may be trying to redeem his personal fortunes by this freewheeling shake-up of the republic party organization. At the same time, the posting of this experienced agricultural trouble shooter to Alma-Ata is

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

intended to increase the amount of grain produced by the new lands, a program with which Nikita Khrushchev is closely identified.

Although concerned with the agricultural situation in Kazakhstan, this is only a "local affair" in the whole agricultural program. Soviet leaders are pointing out that the acre-

age expansion in the "new lands" in the last four years resulted in a substantial net average annual increase of grain production over the record of the preceding four-year period--a major factor in the significant increases already attained in meat and milk production. [REDACTED]

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## DEVELOPMENTS IN FRANCE

Local Elections

Local elections in France on 20 and 27 April, the first nationwide indicator of grass-roots attitudes since the parliamentary elections in January 1956, will probably reflect the growing polarization of public opinion over the Algerian question and thus make it more difficult for Premier Gaillard to hold his coalition together.

Local issues and personalities dominate the campaigns for seats on the departmental General Councils. These control local public works contracts and provide a large proportion of the membership of the departmental electoral colleges which, together with the National Assembly deputies, elect the Council of the Republic (Senate). Half of the senators are up for election this June. Most of the prominent national politicians seek a departmental council seat to maintain their control at the grass-roots level.

Despite the emphasis on local affairs, national issues are expected to figure prominently in the campaigning this year. The Communists will play up their drive for leftist unity against the construction of missile bases in France. The rightist parties--including the Independents and Social Republicans

who are in the coalition--are expected to take a strong position against a "giveaway" in Algeria. Trade union elements will inject the national wage-price question.

In all districts where one candidate fails to win a majority on 20 April, a runoff election will be held on 27 April, at which time only a plurality will be needed. During the intervening week the non-Communist parties will in most cases try to agree on a single candidate to ensure defeat of the Communist candidate, but recent National Assembly by-elections show that the polarization of opinion on Algeria has made such agreements difficult.

Since 1949, these local elections, which are weighted in favor of the rural districts, have shown a clear trend toward the right. Should this trend continue and produce a marked increase in extreme rightist representation in the already conservative Council of the Republic, it may further increase the government's difficulties in finding compromise solutions to France's problems. Whatever the outcome, Gaillard's opponents will be more willing to press an all-out attack once the departmental council elections are out of the way.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

Labor Unrest

Another threat to the Gaillard coalition is the possibility of an all-out strike by French mine workers on 21 April. Aside from endangering the premier's anti-inflation program, such a development might cause the Socialists to press for wage concessions to satisfy their rank and file, and thereby arouse strong attacks from the rightists against any one-sided adjustment of the austerity program.

The unions have heretofore been content with 24-hour warning strikes to press the government for a wage hike. Their success last fall and the 1 April tieup of utilities by both the Communist and non-Communist unions have encouraged them to seek more than just the wage increase expected this month as a result of a new rise in the cost-of-living index.

Both Premier Gaillard and Finance Minister Pflimlin have appealed for a two-month truce on the wage question, citing the still delicate financial situation but holding out the hope that price stability can be reached by late May. There are indeed some signs that the immediate threat of a new in-

flationary spiral may be tapering off. Wholesale prices declined somewhat in February and the labor market has eased. The government, meanwhile, has been able to hold the line on both budget expenditures and credit. Some weakness has reappeared in the trade situation, however, and the relatively favorable trend in France's EPU account over the last few months ended in March when the deficit rose to \$56,000,000.

Nevertheless, observers are generally skeptical of the government's success in selling moderation to the unions, and the 21 April strike threat by both Communist and non-Communist coal mine unions underscores labor's unwillingness to delay its demands. Union leaders are probably fearful that the rank and file may get out of control, as it did in the extended strikes in the summer of 1953, if they try to delay the present campaign. With the Socialist-led Worker's Force in the forefront of the new agitation, the party may be forced to urge the government to relax its wage policies, despite Mollet's firm support up to now of the austerity program. Such a step would provide a ready "safe" issue for a rightist attack on and abandonment of the coalition.

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## NATO DEFENSE MINISTERS' CONFERENCE

The NATO defense ministers' conference, which meets in Paris from 15 to 18 April, will concern itself mainly with hearing the top NATO military authorities' exposition of a new five-year defense plan known as MC/70. The defense ministers will also discuss closer defense coordination--including the France-Italy-Germany weapons

development agreement and its possible extension--and will hear progress reports on the introduction and deployment of IRBM's, nuclear stockpile arrangements, and the integration of air defense. Although this conference, like the only previous defense ministers' meeting in 1955, is purely informational and will make no

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

decisions, it should reveal any shifts in members' positions in advance of the annual foreign ministers' meeting in early May.

The MC/70 study is the over-all defense review called for in the political directive of December 1956 which redefined the NATO mission in terms of the nuclear age. This 1958-1963 program, which is roughly estimated as 10 to 25 percent more costly, has already been highly commended in the North Atlantic Council (NAC) as a military statement of the minimum essential requirements to carry out NATO's strategy. The discussions by the defense ministers are expected to help them argue in their respective capitals for the necessary political and budgetary support.

The report's expected formal adoption by NAC later this month probably will not be unconditional. Preliminary reactions in the council last month showed widespread concern over the budgetary implications

of the recommended country force goals. The Belgian representative warned that they would come as a shock to most countries still holding that it is possible today to increase security while decreasing expenses.

The defense ministers' discussions may shed some light on the more fundamental question of the extent to which member governments are willing, in the presummit political climate, to undertake the support of a long-term military program, the need for which some opposition political elements assert could be wiped out by an East-West detente. Britain and Germany have refused to accept the country breakdowns as formal commitments, and France foresees "some difficulty." In efforts to lessen the financial burden envisaged, many countries have called for more definitive cost figures and for the establishment of a priority system. There is thus a danger that the MC/70 goals may be accepted only as "guidance" or for "planning purposes."

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## THE NETHERLANDS COMMUNIST CRISIS IN A EUROPEAN CONTEXT

The crisis in the Netherlands Communist party (CPN) illustrates the major difficulties still afflicting the Communist parties in the small and prosperous countries of Western and Northern Europe. In contrast to the Italian and French parties, those in the smaller countries still have weak trade union and electoral support and face serious problems in maintaining their party and labor organizations, and none has yet recovered from the "moral crisis" brought on by the de-Stalinization campaign and the Soviet intervention in Hungary.

The special problems this general decline have produced in Holland arise for the most part from the personality of party Secretary General Paul De Groot. A strict Stalinist and typical party strong man, De Groot made only limited concessions to the "democratization" objectives set forth by the Soviet 20th party congress. His efforts to restore his dictatorial powers have provoked the most formidable opposition of his career--culminating on 4 and 5 April in the expulsion or demotion of five party leaders, four of whom are members of the seven-man

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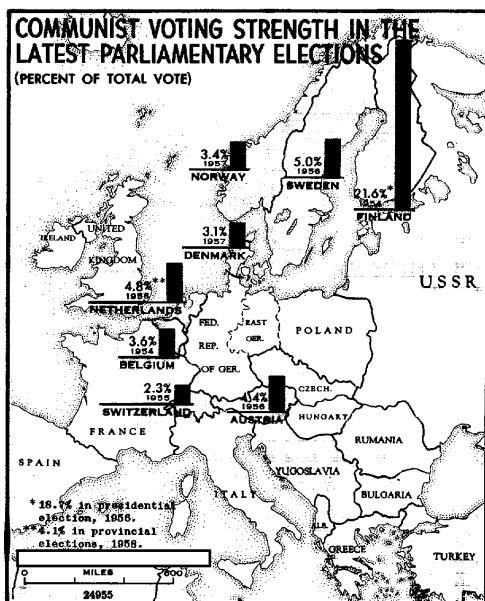
**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

10 April 1958

Communist delegation in the lower house of parliament.

The substantive issue in the Dutch crisis is typical of the Communist party's position in other small European countries where Socialist parties and the free trade unions are strong. De Groot blames leaders of the

leaders note, however, that the party itself polled only 4 percent of the Dutch vote in the March elections in contrast with 10 percent in 1946, and argue that their greatest handicap is De Groot's refusal to permit an "autonomous" EVC, divorced in appearance from the party.



In other comparable countries, De Groot's plan has had little success. The Belgian Communist trade union disbanded in 1955, but its members have apparently gained no significant influence in the non-Communist unions. The Austrian Communists, who operate within the framework of the trade union federation, have minor influence in some nationalized industries but continue to show losses in labor elections.

In Sweden, Norway, and Denmark, the Communists have also worked within the trade union federations, but fewer than 5 percent of the trade union members in any of these countries belong to locals under Communist control. In Finland, the Communists do dominate seven of the 36 federations comprising the Central Confederation of Finnish Trade Unions, but even here any major improvement in Communist prospects is largely dependent on the continuation of feuds among the Social Democrats.

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Communist trade union affiliate (EVC) for the failure of the Communists to make significant inroads in the Dutch labor movement, and because he considers penetration of non-Communist unions potentially more effective, he has long pressed for dissolution of the EVC. EVC

**NEW TENSIONS LIKELY IN BOLIVIA**

Bolivian political tensions, which threaten the US-backed economic stabilization program, may again become critical this month at the governing Nationalist Revolutionary Movement (MNR) party convention as two factions seek to control nominations for the congression-

al elections. By law these must be held before 6 June.

Neither the moderate Siles nor leftist labor leader Juan Lechin won a clear-cut victory in a recent test of strength in the mining areas, and each is likely to make a new effort

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

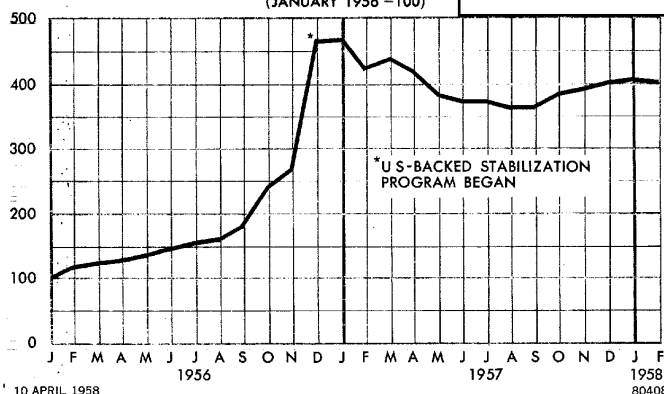
10 April 1958

to secure support for his faction in the approaching convention. Since the MNR completely dominates Bolivian politics, the convention's elections to party posts will be as important as its nominations for Congress. The position of party chief is held by former President Paz Estenssoro, now ambassador to London, who was elected to the post when he was president of Bolivia in January 1956. President Siles, however, who received election as subchief as well as his nomination as president of the country in the January 1956 convention, has been acting increasingly as the de facto leader.

Disagreement between Paz and Siles appears to focus on the role within the MNR of the faction headed by Lechin. Paz apparently feels this group should play a role approximately equal to that played by Siles and his followers. Siles, on the other hand, seems to believe that as president of Bolivia and acting chief of the MNR, he cannot share power equally with Lechin.

New tensions may also arise in connection with the extraordinary session of Congress which, according to the press, has been called for 11 April. The session is apparently to deal with charges made by a rightist deputy that a close relative of Siles has a dishonest financial interest in a proposed contract between the national Bolivian oil company and

**BOLIVIA: COST OF LIVING INDEX IN LA PAZ**  
(JANUARY 1956 = 100)



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a United States engineering firm. The charges may easily delay the signing of the contract and the concomitant provision to the government of urgently needed funds, thus placing a further strain on the stabilization program.

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**PAN-AFRICAN CONFERENCE**

In pursuit of a distinctively African "personality," eight independent African states--Egypt, Ethiopia, Ghana, Liberia, Libya, Morocco, the Sudan, and Tunisia--can be expected to display a basically harmonious attitude toward issues of broad immediate concern to Africans when they meet for a week in Accra, Ghana, starting on 15 April. Complex underlying cultural and political differences among the participating

countries, however, will tend to inhibit agreement on joint action except in noncontroversial areas of activity.

Representation at the conference will be at the foreign minister level for the most part, although Liberian President Tubman will probably attend and the Ethiopian delegation is to be headed, at least nominally, by the Emperor's youngest son. Ghanaian officials have insisted

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

10 April 1958

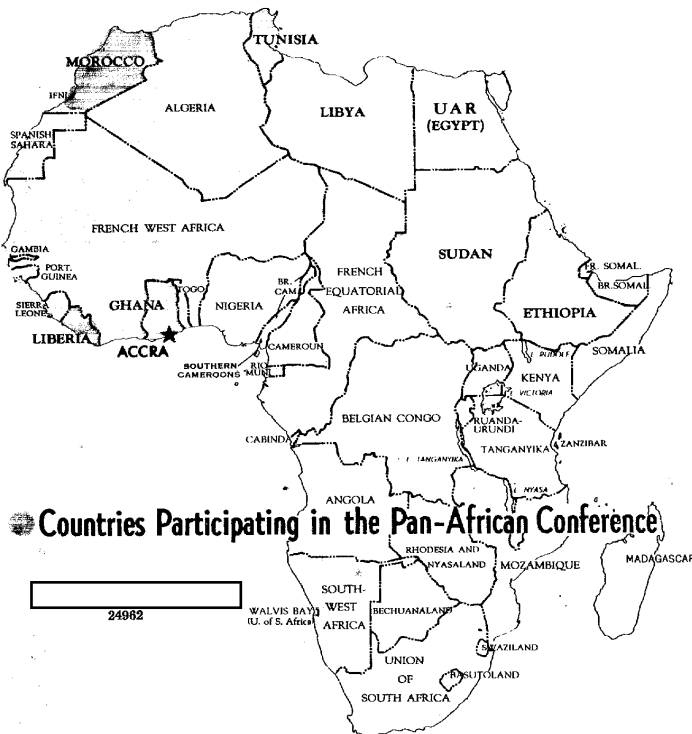
that no observers from dependent areas will participate, but a representative of the Algerian rebels is expected in Accra, and it seems likely that interested "visitors" from other dependent territories will be on the scene and in close touch with the official delegations. The Union of South Africa declined to attend. The Sino-Soviet bloc may also have unofficial observers present functioning as news correspondents.

Although Ghana's Prime Minister Nkrumah is reported anxious for the conference to

special attention will be directed to "the Algerian problem." Other items to be considered deal with economic cooperation, cultural exchanges, international peace--with special reference to "the principles of the Bandung conference"--and "foreign" subversive activities in Africa. The establishment of permanent machinery to promote cooperation among African states will also be discussed.

While Cairo undoubtedly welcomes the opportunity to develop its contacts with other African states, the UAR's delegation will probably concentrate on demonstrating its respectability in an effort to allay existing suspicions of UAR policy objectives in Africa. A different and more dynamic approach by Cairo might be indicated, however, should Foreign Minister Fawzi be replaced as head of the UAR delegation.

Ghana's aspirations to recognition as spokesman for tropical Africa are likely to be advanced somewhat by the conference, which is apparently regarded by Nkrumah as a useful precursor to a more comprehensive--and almost certainly less restrained--meeting



concentrate on positive programs rather than mere polemics, all the conferees are committed to rapid African advancement and can be expected to condemn, with varying degrees of severity, European colonial policies and racial discrimination. According to the revised draft agenda,

of African nationalist movements now projected for late 1958 in Accra. Ghanaian leaders have already discussed plans for such a gathering with African political leaders from Uganda, Kenya, Nigeria, Tanganyika, Sierra Leone, and the Southern Cameroons,

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

## LIBYAN GOVERNMENTAL ORGANIZATION

King Idriss is considering eliminating Libya's present provincial organization and concentrating all authority in a greatly strengthened central government. The chief reason for this plan appears to be the King's concern over growing pro-Egyptian sentiment, particularly in Tripolitania, the most heavily populated of Libya's three provinces.

Recent elections to the Tripolitanian provincial legislature reflected Egyptian influence by bringing into office what the King considers to be an alarming number of Nasir supporters. They can be expected to harass the government by demanding the adoption of a more radical Arab nationalist line and advocating alignment with Nasir's United Arab Republic. The establishment of a new centralized government, accompanied by the abolition of provincial legislatures, could deny a forum to such elements and decrease the autonomy of local officials, some of whom also oppose the pro-Western orien-

tation of the present government.

In order to gain the backing of major political figures in the provinces, the King will probably have to compensate them for their loss of local power. This is apparently already being done, since the changes reportedly are being supported by the governors of Tripolitania and Cyrenaica and the head of the Cyrenaican Defense Force, which is larger and stronger than the embryonic federal army.

Centralization would probably require the naming of a new prime minister and cabinet providing the King with an opportunity to compensate provincial politicians. Husayn Maaziq, the young and capable governor of Cyrenaica, is a likely candidate for prime minister, replacing [redacted]

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[redacted] Abd al-Majid Kubaar. Action may be taken on the plan following the Moslem holy month of Ramadan which ends on 20 April.

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## JAPANESE GOVERNMENT TO SUPPORT TRADE AGREEMENT WITH COMMUNIST CHINA

The Japanese Government, apparently successful in placating Nationalist China, has pledged to "respect the spirit" of the private trade agreement with Communist China, thereby at least temporarily avoiding a rupture in diplomatic relations with Taipei. There may have been a confidential understanding that Japan will make efforts after elections expected in May to prevent the flying of the Communist flag over a projected trade mission in Japan. The ambiguity of respective

statements issued by Tokyo and Taipei may result in new charges by Peiping that Japan is "insincere."

Tokyo announced on 9 April its support for the trade agreement, but explained that it is not recognizing Communist China or its official right to fly its flag in Tokyo. Concurrently, Taipei announced acquiescence in the Japanese action. Taipei's statement that Japan would give "practical expression" to its intention of avoiding political

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

involvement with Peiping suggests that Tokyo later may try to prevent the flying of the Communist flag. It is doubtful, however, that the Japanese have given categorical assurances that the flag will not be flown.

The dispute between Tokyo and Taipei arose when the Japanese Government first indicated it would cooperate in implementing a private trade agreement with Peiping. Prime Minister Kishi, attempting to satisfy strong Japanese pressures for increased trade with the China mainland without entering into official relations with Peiping or antagonizing Taipei, was caught in the middle because of the unyielding positions of both the Nationalists and Communists on the flag issue.

Nationalist China has been demanding assurance from Japan that the Communist flag would not fly over the mission in Tokyo. Chiang Kai-shek threatened to sever relations with Japan unless this demand was met. Kishi maintained that legally his gov-

ernment could not prevent the flying of the flag and that for political reasons he could not risk upsetting the trade agreement.

Communist China has attempted consistently to draw Japan into closer relations by using the bait of increased trade and has welcomed the Tokyo-Taipei dispute. On 1 April, when it became apparent that Japan and Nationalist China were both anxious for an amicable solution, Peiping bitterly accused the Japanese Government of blocking enforcement of the trade agreement. In subsequent statements, Peiping suggested that Tokyo's support of the pact, including the flag provision, was essential to any expansion of Sino-Japanese trade.

The Japanese will find it extremely difficult to devise a final solution which will satisfy Taipei and Peiping since, to both, the flag has become a major symbol in their struggles for international acceptance.

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## EFFORTS TO UNSEAT EAST PAKISTAN GOVERNMENT FAIL

The stability of Prime Minister Noon's coalition government in Pakistan, which depends on the strength of the Republican party's hold over West Pakistan and the Awami League's control of East Pakistan, seems to have been somewhat enhanced by the recent failure of opposition efforts to unseat governments favorable to Noon in both East and West Pakistan. The ruling coalitions at both national and provincial levels are apparently being favored by a feeling growing throughout Pakistan that governmental changes which might postpone national elections promised for November 1958 should be avoided.

The most recent efforts to undermine Noon's ruling coalition have occurred in East Pakistan, where H. S. Suhrawardy's Awami League, which dominates the provincial government, in late March and early April was heavily assailed in the legislative assembly. On three occasions, however, the government survived confidence votes. On the last occasion, its hand was strengthened by the support of Maulana Bhashani's leftist National Awami party which previously had remained neutral. Part of the reason for Bhashani's support is reported to have been an agreement by Suhrawardy's party to release political prisoners

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

10 April 1958

and to make other concessions to Bhashani. Bhashani is also reported to oppose any unsettling development that might delay the national elections.

The Moslem League, which participated in the attacks on the governments of both East and West Pakistan, now seems to be more or less isolated. Bhashani's party, with which it reached an agreement in mid-March, apparently has abandoned it. This important shift suggests that Bhashani considers the Moslem League a spent force.

If, as seems the case, Noon's Republican party, Suhrawardy's Awami League, and Bhashani's National Awami party

all favor continuance of the status quo until election time, it would be hard for the Moslem League to upset the present Provincial governments. However, a walkout of the opposition during the last confidence vote in East Pakistan and the proroguing of the East Pakistani assembly by the speaker on 5 April following a wildly confused session provide an excuse for the imposition of direct rule from Karachi despite the confidence votes won by the government. Any attempt by President Mirza at this juncture to assert his authority by declaring President's Rule would probably produce strong popular opposition in East Pakistan.

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**INCREASING INFLUENCE OF MODERATES IN CEYLON**

Growing opposition to Ceylon's far-leftist minister of food and agriculture, Philip Gunawardena, the principal threat to the coalition government's stability, is becoming increasingly successful in curbing his actions and in moderating the policies of Prime Minister Bandaranaike's Sri Lanka Freedom party.

The opposition to Gunawardena stems from several cabinet ministers, from 11 different commercial organizations, from the Buddhist priesthood, and from the peasantry. It began to take shape last November when Parliament amended his paddy lands bill, the first step toward collectivization of agriculture. Gunawardena's proposal to nationalize foreign-owned tea estates was subsequently rejected by the cabinet, and his suggestion to nationalize the government-sponsored Ceylon Shipping Lines was opposed by the finance minister.

During the labor unrest at Colombo port in December, the cabinet rescinded an order which would have transferred government-controlled harbor barges to Gunawardena's control. In January, the four ministers who have been his most outspoken critics reportedly complained to the prime minister that Gunawardena's attacks on "right-wing" policies were in violation of collective cabinet responsibility. In a special cabinet meeting of 6 March, held after a peasant demonstration protesting Gunawardena's method of paying the government rice subsidy, the method was altered and earlier demands for his resignation were forcefully reiterated.

Cabinet agreement on 13 March that ministers would cease airing their differences in public and take joint responsibility for cabinet decisions probably was designed in part to curb Gunawardena's attacks on other ministers made in

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**CURRENT INTELLIGENCE WEEKLY SUMMARY**

10 April 1958

public speeches during the preceding week.

At its annual convention on 1 and 2 March, the Sri Lanka Freedom party stressed its goal of democratic socialism on the Scandinavian model as opposed to Marxist socialism. Such emphasis was absent at previous party conferences. Plans for the nationalization of banks and insurance companies apparently have been dropped temporarily. Bandaranaike reportedly said that nationalization, although

an integral part of socialism, should be introduced only where private interests are profiting at the expense of the majority.

The relatively moderate elements in the government coalition are not likely to alter Ceylon's political orientation appreciably at present, but they may be able to slow the leftward trend spearheaded by Gunawardena and the far-leftist minority.

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**CONFIDENTIAL****CURRENT INTELLIGENCE WEEKLY SUMMARY**

10 April 1958

**PART III****PATTERNS AND PERSPECTIVES****WEST GERMAN FOREIGN POLICY**

The West German Government is holding firmly to its policy of acquiring nuclear weapons, although differences have become apparent within the governing coalition on matters of foreign policy. Both government and opposition spokesmen have expressed some readiness to make important modifications in their parties' positions on German unification and relations with the Soviet bloc. Leading government officials have been generally cautious and skeptical about the Moscow test suspension announcement, despite the favorable public and press reaction.

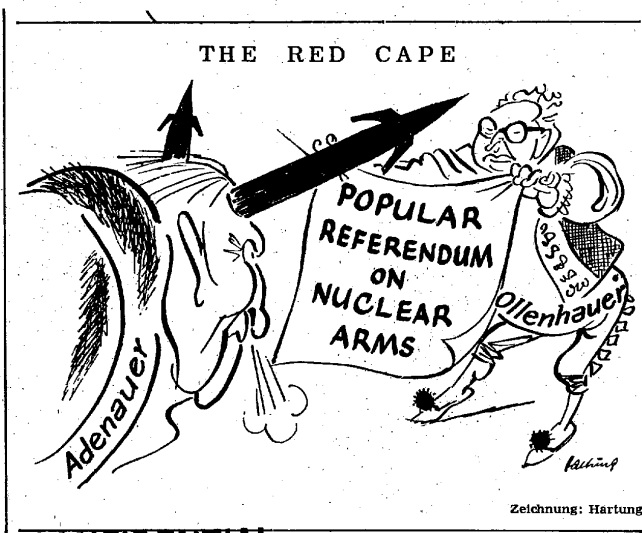
**Nuclear Weapons**

The decision of the government to accept all modern weapons recommended by NATO came after a year in which it dodged the issue because of last September's national elections. The Christian Democratic Union (CDU) is almost unanimously agreed on the need for nuclear weapons, and Adenauer's tactics of coming out unmistakably at this time in favor of such weapons as long as there is no disarmament agreement have served to draw attention away from the splits in the CDU on foreign policy. At least superficially he has thus restored harmony to the coalition.

CDU leaders have thought that, despite the opinion polls, the West Germans would accept nuclear armament when presented with it as a fait accompli, just as they previously accepted the re-

constitution of armed forces. At the same time, Adenauer has said repeatedly that his main hope is for general, controlled disarmament. Bonn leaders do not feel they can yet assess the true significance of Moscow's announcement of the suspension of nuclear tests, but Adenauer was prompt to point out that, if it is a sincere step and actually leads to disarmament, the Bundestag's decision in favor of German nuclear arms would become obsolete.

The opposition Social Democratic party (SPD) is solidly opposed to nuclear armaments for Germany. Whatever Moscow's intentions, the SPD is doing its best to thwart the implementation of the government's decision to accept nuclear weapons and it may give the government some bad moments by whipping up public sentiment. Cooperating with the Trade Union Federation (DGB), the Social Democrats are planning strikes and, in at least three

**CONFIDENTIAL**~~SECRET~~

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

states, referendums on atomic weapons.

Barring a substantial change in the Soviet disarmament policy, Bonn will proceed with its plans to acquire Matador rockets and train crews in the United States. Some government leaders, notably Defense Minister Strauss, may even see the acquisition of nuclear weapons not only as a boost to security, but as a means whereby Bonn can eventually liberalize its unification terms by reducing its dependence on the Western alliance.

#### Summit Conference

Strongly affecting the thinking of some CDU politicians is the belief that a summit conference is inevitable and that a decisive turning point on German unification may be approaching. These CDU members want Bonn to devise more flexible terms on unification that could conceivably be accepted by Moscow at a summit meeting if the subject is discussed. In addition, some German politicians are influenced by the belief that both Paris and London are abandoning their support of the "shield" concept in NATO and are more susceptible to a disengagement proposal which would perpetuate the status quo in Germany.

This type of reasoning apparently led Bundestag President Eugen Gerstenmaier to propose that the summit conference discuss a German peace treaty instead of unification per se. Although this idea was a clear departure from government policy, and was disturbing to government leaders, Gerstenmaier evidently received some support from CDU politicians who are concerned about Bonn's "inflexible" stand as represented by Foreign Minister Brentano.

Equally disturbing to the government were the statements

of Defense Minister Strauss, who proposed a five-point plan tying German unification to an extended nuclear-free zone.

Although these statements were partly stimulated by the personal antagonism between Brentano and both Gerstenmaier and Strauss, they also reflect a more widespread discontent within the CDU. The Protestant wing of the CDU, led by Gerstenmaier, is evidently suspicious that since East Germany is predominantly Protestant, the chancellor, a Catholic Rhineland, is not pursuing unification as vigorously as he should. This faction, however, was considerably embarrassed when Moscow, to give an impression of willingness to discuss some aspect of the German problem, picked up Gerstenmaier's idea of a peace treaty, but twisted it with the intention of increasing the standing of the East German regime.

#### Unification

Two of the key points of Bonn's unification policy have been free all-German elections first, and freedom of alliance for a united Germany, which, in Adenauer's view, means continued membership in NATO. Dissident elements in the CDU are apparently softening on these points. Gerstenmaier's peace treaty suggestion represents a willingness to back off from "elections first" in order to give the great powers an opportunity to agree on the military and political status of a united Germany, as long demanded by the SPD. Adenauer has opposed this approach probably because he fears it would lead to a dangerous public debate over neutrality. Gerstenmaier, in fact, is reported by one source to have a neutrality plan ready for unveiling "when political conditions are ripe." Strauss told the press in Washington in March that he could envisage a united Germany not in NATO.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

All parties in Bonn in the past have agreed basically on the undesirability of doing political business with the East German regime. Now, however, there is evidently a weakening in the SPD on this score, as Moscow insists more than ever that unification is a matter to be negotiated between West and East Germans. The SPD, which has long argued that a unified Germany could not be in a Western alliance, is currently supporting the idea of disengagement as a step toward unification.

The one common factor in all this interparty and intra-

party conflict is the strong desire to have the problem of a divided Germany discussed at a summit conference. Although the attitudes of the two big parties on atomic weapons remain diametrically opposed, lines are blurring on the questions of disengagement and unification terms.

It is evident that a relaxation of Adenauer's control of policy would bring some changes, and that even without such a relaxation, CDU members will probably express dissident views more freely than in the past.

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## YUGOSLAVIA ON EVE OF SEVENTH PARTY CONGRESS

President Tito will face the seventh congress of the League of Yugoslav Communists on 22 April in Ljubljana with many domestic problems, most pressing of which are inflationary pressures, the disaffection of youth, and the need to tighten party control. The congress will underscore successes achieved through worker self-management and local self-government, but dissatisfaction among the people, although not threatening the regime's control, has yet to be overcome.

Other difficulties facing the government include the question of national minorities, inequities in wages, privileges of the "new class"--the bureaucracy--and housing. The regime has taken a number of steps to solve these problems. Tito is still confronted, however, with the problem of how to continue decentralization and liberalization without undermining the basis of the Communist dictatorship.

Tito's personal prestige is still sufficient to keep dissidence from getting out of hand, but there is no guarantee that those who might one day succeed him will be as successful. The subject of Tito's succession is, therefore, of primary concern to the party and will probably be discussed privately by the delegates to the congress. Because of the present domestic difficulties, however, important leadership changes will probably not be made at this time. Rumors last fall that President Tito would turn over the running of the party and government to Rankovic and Kardelj--his two top vice presidents--have faded.

Party Control

The pre-congress party program, a circular letter to local leaders, and Tito's election speech on 16 March indicate that plans are under way to strengthen party control. In

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

order to maintain his popular support, which is derived to a large extent from nonconformity with Soviet methods, Tito must continue to seek solutions along the lines of decentralization. Economic boss Vukmanovic-Tempo has made it clear, however, that the party will remain the instrument of ultimate central control. Anti-socialist activity, he has said, will not be tolerated.

The long circular letter issued to all party organizations on 28 February by the executive committee of the Yugoslav party noted the advantages and successes of the decentralization of the Yugoslav economic system, but emphasized the need for tighter party control and discipline than had been previously exercised. The decentralization of certain governmental functions since 1950 has been primarily intended to improve the management of the economy, but has had some undesirable consequences within the party. Communist leaders in enterprise and local groups were attacked in the letter for "infringing self-government rights, for suppression of popular criticism, and for extravagant living."

The circular letter pointed out that the role of trade unions in the Yugoslav workers' movement was not well enough understood, and that the trade unions would be given the additional task of correcting bureaucratic abuses and protecting workers' interests. Such a move probably would be intended to strengthen decentralization in Yugoslavia, which the regime considers necessary for the "withering away of the state." The assumption of control over the Yugoslav trade union organization by a man as important in the hierarchy as Vukmanovic-Tempo indicates that the regime intends to deal seriously with this problem.

Popular Dissatisfaction

The Yugoslav regime recognized the necessity of counteracting reverberations of the Hungarian revolt among its own populace. Accordingly, it promised to increase economic reforms, but made clear that complete political freedom would not be tolerated. Emphasis was initially placed on increasing the availability of consumer goods. To overcome the high prices of most commodities, the regime even encouraged installment buying.

The government announced last December that its recently approved long-term economic plan has two priorities--to raise the standard of living and to increase agricultural production. In both fields, the largest gains since the war were registered in 1957. Despite this, the present appearance of well-being is illusory for many people, and the workers continue to show their dissatisfaction--in an unusual fashion in the case of the two-day strike of coal miners in Slovenia in January--the first strike since the Communists achieved power.

The limited rise in the standard of living and in the availability of imported and domestic consumer goods to date has apparently served only to whet the appetite of the Yugoslav public. In his New Year's address this year, Tito warned that "our people are patient because they know what we are trying to do. But if, despite a good year, prices are still going up, nobody can blame them if they are dissatisfied. If insufficient attention is paid to these problems, the results could easily be political and not confined to mere dissatisfaction."

Tito's lead was followed by the Yugoslav press, which began a sustained campaign in

SECRET

## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

January 1958 against high prices. In Ljubljana, for example, trade enterprises were sharply rapped by the press for "unjustified" price increases and reportedly were required by the district people's committees to return prices to their former levels.

In a move to control inflationary pressure, the Federal Executive Council extended price controls in February, and the Yugoslav National Bank issued new regulations restricting consumer credit.

Youth and Western Influences

The regime is apparently intent on tightening discipline and promoting ideological conformity among its young people. In his address to the sixth congress of People's Youth on 27 January, President Tito acknowledged that some young intellectuals had fallen under the influence of "certain negative Western ideas" and that young people were too often guided by monetary rewards in selecting their careers. As a remedy, Tito resurrected the national youth brigades, disbanded in 1952 as uneconomical. In doing so, he pointed out that youth brigade experience is valuable in giving young people of different intellectual capacities and of "various nationalities" an opportunity to live together.

The regime envisions the brigades as a solution to political apathy rather than as an aid to Yugoslavia's economic development. The problems of combating apathy among youths and of reducing "negative" Western influences are not new. Attempting to instill youths with enthusiasm by re-introducing youth brigades, however, shows a bankruptcy of ideas.

Marxism-Leninism has been recently re-established as a compulsory course of study in Yugoslav universities, but the

new generation appears to have no interest in Communist dialectics. On the contrary, Western ideas seem to have made inroads on youthful Yugoslav minds. Western novels are more widely read than Communist ideological books. In fact, Belgrade's leading newspaper, Borba, carries syndicated Western comics and columns such as Ripley's "Believe It Or Not."

Other Problems

Housing conditions which deteriorated after 1940 are still serious, especially in Belgrade. In 1956, measures were taken to increase housing construction. The current long-range housing target, however, is still considerably short of the rate which would be required for a minimal solution of the problem by 1970.

Growing localism is evident in Yugoslavia's economically more advanced republics, Slovenia and Croatia, which complain they are retarded by the large amount of financial aid they are required to provide to the country's less developed areas. In developing the backward regions of Bosnia, Macedonia, and Montenegro, the regime must decide how to maintain economic progress in the more productive republics from which investment capital must be obtained for these backward areas without incurring the charge of economic discrimination from the latter.

Increased agricultural production remains one of the major targets of Yugoslavia's long-range planning, with emphasis placed on general agricultural cooperatives as the means to "socialize the countryside." The peasants, however, have not completely accepted the cooperative concept, and the regime has been forced to compromise. The living standard of the peasant has improved considerably and, while peasants are urged to join cooperatives, those who refuse may still derive some of the "benefits."

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SECRET

SECRET

## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

## NATIONAL MINORITY POLICY IN COMMUNIST CHINA

Two recent statements by Chinese Communist officials closely connected with the management of ethnic minority groups have underscored the regime's earlier expressions of concern with the growth of "local nationalism." The speeches suggest that Peiping has decided to push forward more rapidly--and perhaps more harshly--with its policy of integration as a solution to the problems presented by the presence of more than 35,000,000 non-Chinese within the borders of Communist China.

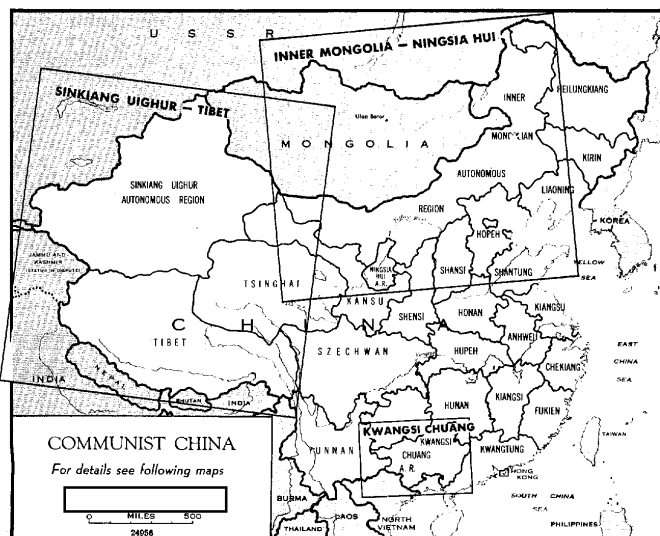
One of these speeches--publicized about a month ago--was a long report on the question of "rectification and socialist education" in minority areas by Wang Feng, deputy chairman of the Nationalities Affairs Commission of the State Council and a deputy director of the party's United Front Work Department. He expanded on a statement made by a higher ranking regime spokesman, Liu Ko-ping, in January.

Both men dwelt on the seriousness of "local nationalism" as a potential threat to the

regime's plans for achieving "unity" with minority groups in the advance toward "socialism." Liu--a member of the Communist party central committee and a deputy director of the United Front Work Department who is concurrently head of the Nationalities Committee of the National People's Congress--observed that there had been a "new upswing" of "local nationalism" among the minority groups. He asserted that antiregime views were held by only a handful of men but warned against minimizing the "dangerous possibility" that these attitudes would find wide acceptance in national minority areas.

Wang Feng declared more specifically that information obtained during the rectification campaign--which has been in progress since April 1957--made it clear that the increase in "local nationalism" was common among a large number of minority groups. Wang remarked that the tendency--which he termed "particularly serious and malicious"--could be seen even among some high-ranking Communist cadres recruited from the minority population by the party.

These complaints probably reflect the regime's reaction to more open expression of dissatisfaction among the minority peoples under the impetus of Peiping's "liberalization" which bloomed briefly last spring. There is no evidence, however, that there has been an increase in active resistance to Chinese rule. Armed rebellion flared up along the Tibetan border in 1956 and reports of sporadic resistance activity have continued, but other areas with



SECRET

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

significant minority populations seem to be under firm control.

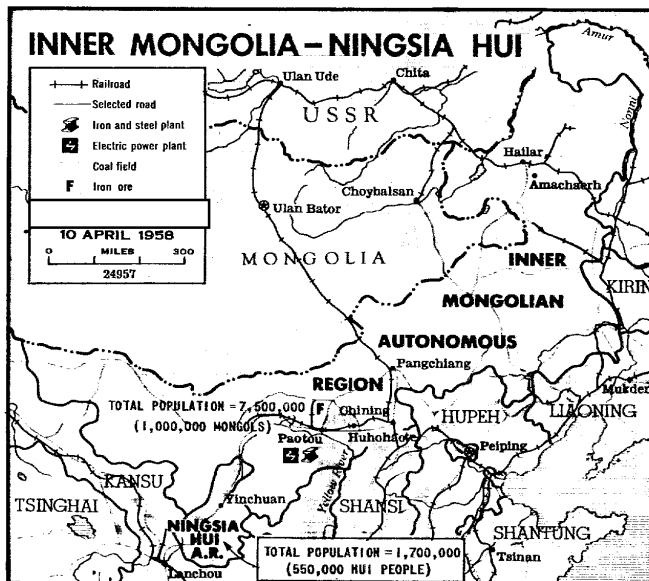
Principal Errors

The manifestations of "local nationalism" can be summed up under four headings.

"Separatist activity"--the first category of the behavior censured by Wang and Liu--is said to have been "brisk" among the Mongols. At its worst this has allegedly involved conspiracy to establish an independent government. A small number of students with bourgeois or "feudal" backgrounds are said to have organized themselves for flight abroad where they would be able to carry out their schemes.

Related to this, and almost as serious, is what the Chinese have called the "repudiation of central and party leadership"--agitation for the ejection of Chinese cadres and establishment of locally governed republics within a federal framework. Such ideas are said to exist primarily among young nonparty intellectuals of Mongol, Korean, Hui, and Uighur nationality, but Liu noted that they are also entertained by some party members, including a few high-ranking minority cadres.

Another "vice" is resistance to the proffered benefits of Chinese culture and the rejection--under the slogan "Chinese go home"--of "help" from Chinese immigrants in developing the resources of minority areas. The Mongols, for example, are alleged to have declared they would willingly do without modern industries, including the Paotou steel com-



plex and a railroad, as the price of maintaining separation between the Mongol population and the Chinese.

A final group of errors was summarized by Liu Ko-ping as opposition to the "socialist transformation" and hatred for the party--in particular for Communists recruited among the minority population. Like the "rightists" in China proper, members of ethnic minority groups were charged with having attacked the agricultural co-operative movement, the system of government commodity procurement, and the regime's campaign against counterrevolutionaries. Communist party members drawn from minority nationalities have been called "traitors and degenerates."

Speed-up in Integration

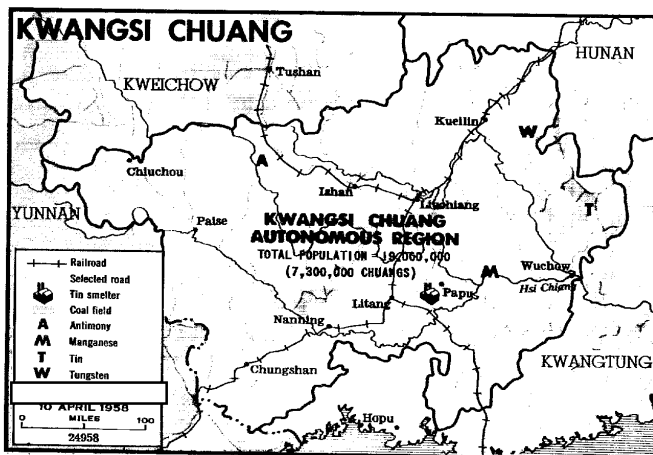
The first indication that the Chinese Communists were considering increasing the tempo of their plans for economic, political, and cultural integration of the minorities came in connection with an 18-day nationalities conference held in Tsingtao by the top leaders last August. Chou En-lai

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958



among the national minorities." At about the same time similar meetings were held in Sinkiang, Kwangsi, Kweichow, Szechuan, Yunnan, and Tibet--all areas with minority populations. Instructions passed down at these meetings soon began to bring results.

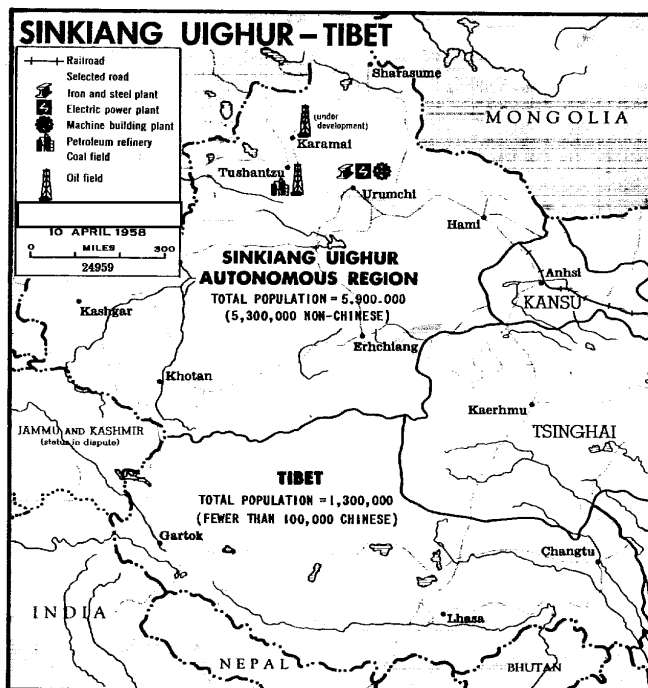
At the Yunnan provincial party congress, which ended on 10 December, it was declared that "local nationalism" was the

reportedly expounded at length on the theoretical aspects of regional autonomy and the actual situation in minority areas. At the close of the conference Ulanfu, a Mongol who is governor and party boss of Inner Mongolia as well as chairman of the Nationalities Affairs Commission in the central government, made a speech in which he declared that the "persistence of nationalistic ideas" must be corrected and hinted that "local nationalism had become a greater danger than Chinese "chauvinism."

"main target" of the party in minority areas. At the enlarged meeting of the Sinkiang Autonomous Region party committee which opened on 16 December, Saifudin, an alternate member of the Communist party central committee and chairman of the region, called the growth of "local nationalism" the "most dangerous ideological trend of the present time." He called for concentration on opposition

Later, the secretary general of the party central committee, declared that it was just as necessary to oppose "local nationalism" as to combat "Great Han chauvinism"--the attitude of overbearing superiority on the part of ethnic Chinese--which had previously been the main target of regime attacks.

Another forum was held in Peiping on 19 and 20 November for the purpose of discussing "antinationalist education

**SECRET**

**SECRET**

## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

to nationalism during the rectification campaign, described as part of a "political and ideological revolution," which central party authorities had ordered for all minority areas where the "socialist transformation" had been "basically" completed.

Peiping's Plans

The prescription offered by Wang Feng and Liu Ko-ping for carrying through the "revolution" in minority areas contains no new ingredients, but their remarks suggest that the dosage is to be increased and if necessary administered forcibly so that socialism can be developed by "leaps and bounds." Peiping's stated goal is to have the minority peoples catch up with the Chinese "economically and culturally" within the next 15 years. The first phase of the program, which is already under way, involves intensified indoctrination of cadres assigned to work in minority areas.

It seems likely that the ranks of the 400,000 minority cadres will be drastically thinned in the course of the campaign. The regime spokesman noted that more than 90 percent of these officials had been enlisted following "liberation" of the mainland and have not been properly "stepped" in class struggle. Some of the many "rightists" among them are to be dealt with "resolutely" as "enemies of the people." Their places will presumably be taken by reliable Chinese cadres until more minority cadres can be trained--a process which Wang Feng stated would take considerable time.

As soon as the hard core of cadres has been prepared for

the struggle, the indoctrination campaign will be carried to the schools, factories, and rural areas. Heavy reliance is to be placed on "reliable" party members of minority nationalities to sell the people on the "benefits" of economic development of minority areas--which Liu Ko-ping declared would necessitate "large-scale resettlement" by Chinese. The minority nationalities will be further encouraged to absorb Chinese culture.

Economic considerations underlie Peiping's program in minority areas. Both Wang Feng and Liu Ko-ping declared that the minority areas--long regarded as a safety valve for population pressure in China--are "extremely rich" in natural resources, and it is clear that the regime does not intend them to lie fallow. Since the Communists conquered the mainland in 1949, they have carried out an unprecedented program of prospecting and exploration along the frontier. They have built more than 175,000 kilometers of new roads, most of them located in peripheral areas, which will facilitate economic exploitation and political control.

Peiping recognizes that the minority problem is a complicated one. Cadres have been ordered to adopt a "prudent and sure-footed attitude" in doing their work and warned to avoid "impetuosity." Despite these injunctions, the campaign to develop the minority areas more rapidly is bound to heighten resentment among the minority population. The regime has more than sufficient force available, however, to cope with any active opposition which may develop. (Continued in by ORR)

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

10 April 1958

## PROSPECTS OF THE SOCIALIST PARTY IN JAPAN

The opposition Socialist party faces the Japanese general elections expected in May with a record of having increased its percentage of popular vote and representation in the Diet in every election since 1950. It now holds approximately one third of the Diet seats. The prospects of the party are enhanced by effective organization and by its exploitation of popular issues such as rearmament, nuclear weapons tests, and relations with Communist bloc countries. While the Socialists are not likely to win a majority in the near future, a gain of more than ten or twelve seats could undermine Prime Minister Kishi's political position and lead to his replacement as head of the ruling Liberal-Democratic party and the government.

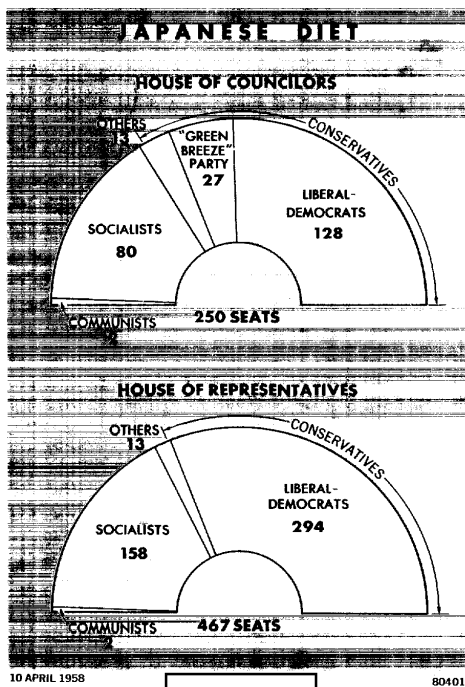
The Socialists have taken steps to minimize ideological and factional conflicts within the party in order to maintain unity for the election. These measures appear to have been successful and should enable them to benefit from a party organization that is superior to that of Kishi's Liberal-Democratic party.

Continuing Socialist gains in elections held since 1950 have resulted from the party's exploitation of popular issues, particularly those involving foreign policy. The Kishi government's present difficulties with the USSR over fishery negotiations and with Taipei over the privileges to be granted a Chinese Communist trade mission--together with the Okinawa and nuclear tests issues--will give the Socialists valuable campaign material. The Socialists also will blame American trade restrictions for the slowdown in Japan's economy.

Socialist Growth

The Socialist party has never been a majority party and the only time it has been in office was when it won a plurality over two competing conservative parties in 1947. The ensuing coalition cabinet headed by Tetsu Katayama fell in 1948 because of serious administrative weakness arising from inexperience.

The Socialist party popular vote reached a low 13.5 percent in the lower house election of 1949 but since then has risen consistently, reach-



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ing 34 percent in a nationwide election in 1956. During this period the party increased its Diet strength from 49 to 158 in the 467-seat lower house and from 61 to 80 in the 250-seat upper house.

Organized labor, main source of Socialist support,

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

10 April 1958

provided an estimated 50 percent of the party's 11,200,000 votes in the 1956 upper house elections. This labor base, however, appears to have been fully exploited and the party must increasingly depend on support from women, youths, and intellectuals. It also is attempting to expand its appeal among small businessmen and farmers.

**Labor Influence**

The present Socialist party was formed by the merger of the Left and Right Socialist parties in 1955 and is still troubled by an ideological struggle between the left and right. The dominant left wing is promoting a leftward trend in party policy under the influence of the Japan General Council of Trade Unions (Sohyo), the country's largest labor federation.

Sohyo leaders believe the Socialists will be unable to achieve power by parliamentary means and therefore advocate a strong class party which will secure labor's demands by the use of force. Sohyo is continuing to support the Socialist party as such, but actually is working to take over the party and convert it fully to Sohyo control and objectives. Almost one third of the 158 Socialists in the lower house of the Diet have Sohyo connections.

The right-wing Socialists favor expanding the party's base of popular support to include white-collar workers, small businessmen, and farmers. They advocate parliamentary means rather than strikes and violence to obtain legitimate labor goals. They receive their principal support from Japan's second largest labor organization, the moderate All-Japan Congress of Labor Unions (Zenro).

**Party Program**

The Socialists have criticized the government's poli-

cies and have sought to win all elements without concern for contradictions and inconsistencies. They have failed, however, to recognize and exploit important conservative vulnerabilities on such issues as effective social welfare legislation and measures to improve the lot of the underemployed. They have also failed to develop an appealing program for the farmers, traditionally a major source of conservative voting strength.

The Socialists have been successful in appealing to popular pacifist sentiment; they oppose nuclear weapons and advocate converting the self-defense forces into a "Peaceful National Land Construction Corps."

They have scored some successes in skillful and well-prepared attacks against the pro-American policy of Prime Minister Kishi, which they claim perpetuates Japan's "unequal" status under the San Francisco peace treaty. In turn, they champion a Pacific pact to include the USSR, Communist China, and the United States.

They call for the return of Okinawa and the Bonin Islands to Japan and demand the withdrawal of American forces from bases in Japan in the belief that this would remove the threat to Japan of attack by Communist powers. However, they adopted a somewhat equivocal stand on the status of the southern Kurils, and since most Japanese believe the USSR is wrongfully holding these islands, this stand may have hurt the Socialists' interests.

Socialist "good-will" missions have enhanced the party's respectability and prestige in the eyes of the Japanese electorate. One such mission to the United States last year was offset by three to bloc countries. The delegates to the bloc negotiated as if they were

**SECRET**



**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****10 April 1958**

officials of the government and, when they returned to Japan, increasingly misled the public by representing Communism as Socialism.

**Relations With Communists**

The Communists apparently continue to find the labor movement the best avenue for influencing the Socialists. Communist infiltration was reflected in Sohyo's 1957 "action policy," which among other things followed the line of the Communist-dominated World Federation of Trade Unions. It also called for participation with the Communists in future joint struggles.

Although the official position of the Socialist party rejects a "united front" with the Japanese Communist party in election campaigns, the policy adopted in February 1958 permits local branches to cooperate with "all democratic groups," i.e., the Communists. Such cooperation already has occurred during past national and local elections.

**Influence on Government**

Socialist influence on Japan's national policy is greater than the party's vote-getting ability or Diet representation would indicate. The conservatives' fear of the Socialist "trend" has prompted them to appropriate issues such as the establishment of relations with the USSR, revision of the US-Japan security treaty, cessation of nuclear tests, and reversion of Okinawa to Japan. Socialist attacks on the government's labor policy have influenced the administration to pursue a less aggressive policy, although it has stood firm against labor's demands.

Political observers believe the Socialists may win ten to twelve additional seats in the forthcoming elections. If the Socialists should win more, Kishi's rivals in the Liberal-Democratic party might use this erosion to challenge his leadership of the party and government.

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